



December 22, 2010

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. R-1390
Proposed Changes to Credit Insurance Disclosures
Under Regulation Z and the Truth-in-Lending Act

Dear Ms. Johnson:

My name is Debbie Mitchell and I am the President/CEO of Velocity Credit Union in Austin, Texas. The purpose of my letter today is to inform you that our Board of Directors and management team are strongly opposed to the proposed amendments to the credit insurance disclosures under Regulation Z. The proposed language is overly negative, inaccurate and alarmist in nature. It will most certainly discourage our members from purchasing credit life insurance, thus putting their financial future at risk as well as our Credit Union's safety and soundness.

Velocity has been offering payment protection products to our members for many, many years. We have done so in accordance with all applicable regulations and always keep our members' best interest in mind. Of course, accurate and easy to read disclosures are very important when making any type of financial decision and we believe we already have those in place. While the disclosure language claims that other types of insurance can give the member "similar benefits and are often less expensive," it does not say that members may not qualify for other types of insurance. It also does not disclose that there is no medical check required for credit life insurance, the member's occupation is not a deterrence for coverage and it is an affordable and regulated product that begins immediately from the point of purchase for members that cannot or do not qualify for other insurance products.

In addition, I find that the proposed language misrepresents the purpose and value of credit life insurance versus other types of insurance – that is, life insurance is there to help a decedent's loved ones continue their life without the income that the decedent was providing. Credit life insurance is there to minimize debts and allow for the decedent's loved ones to own any property with an existing lien. Recently, we had a member's wife bring the car her husband had financed through our Credit Union to our Collection Department to return to us after her husband's death. The car was financed in the husband's name only, and the wife was deeply worried about how she would get around without a car. When we pointed out to her that her husband had purchased

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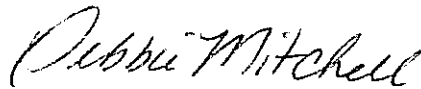
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credit life insurance and that the car was now hers without any payment owed, you could only imagine her relief and gratitude. Often, credit life insurance helps loved ones who might not qualify for financing or have any other financial means after their loved ones' death.

My management believes in this product so much, in fact, that my VP of Collections, Russell Fitzgerald, has credit life on all of his loans. He feels very strongly about the proposed changes and says that based on his 18 years with our Credit Union and his past experience in being able to help members that have purchased the insurance; he makes sure to have credit life on all of his loans to help his family if anything should ever happen to him. He does this despite the fact that our Credit Union offers a very generous life insurance benefit at no cost to our employees.

I hope that the examples that I have provided will convince you to take another look at the proposed language to remove the extremely negative connotation that it currently creates for credit life insurance. I am ultimately concerned that despite its immense value for our members, they will be discouraged to purchase this insurance because of the proposed language.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Mitchell".

Debbie Mitchell
President/CEO
Velocity Credit Union
Debbie.Mitchell@Velocitycu.com